2000 ANNUAL REPORT

SASKATCHEWAN GOVERNMENT
GROWTH FUND IV LTD.

SGGF IV

Creating economic wealth and diversification through investment of immigrant investor capital in Saskatchewan.

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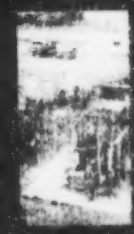
Petsus Navigation Systems Inc.

Biostar Inc.

FUND PROFILE

Saskatchewan Government Growth Fund IV Ltd. ("SGGF IV") is a government-administered venture capital fund pursuant to the Immigration Regulations, 1978 (Canada), as amended. It was formed to enable immigrant investors to invest in businesses operating in Saskatchewan and facilitate the investors' qualification as Canadian permanent residents under the Immigrant Investor Program.



FINANCIAL HIGHLIGHTS

The fund was focused on rounding out its portfolio through the placement of investment capital in eligible businesses. A total of $7 million was invested in five businesses during the year.

- The fund ended the year with an accumulated surplus of $1.8 million, an increase of $700 thousand for the period.
- Revenue from investments was $3.9 million, up significantly over 1999.
- Notes outstanding at December 31 were 133 with three visa refusals during the year.
- In a marketing period that ended in 1998, SGGF IV raised $34 million from 136 investors.
- To date, over $28.6 million of investments have been made in 11 eligible businesses.

OBLIGATIONS TO INVESTORS

TOTAL REVENUE

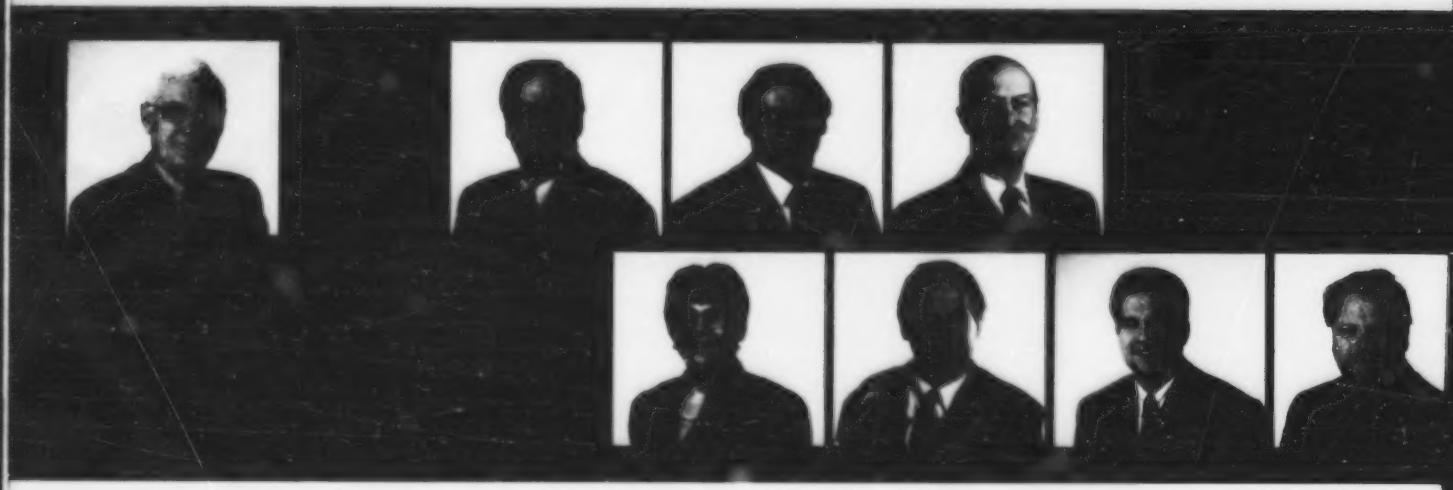
BOARD OF DIRECTORS AND OFFICERS

Gary Benson
President

Wilson Olive
Chair

Darrel Cunningham
Director

Gerald Edwards
Director



Joanne Forer
Director

Gordon Mertler
Director

Keith Rissling
Director

Grant Scharfstein
Director

FarmGro Organic Foods Inc.

Nelson Environmental Remediation Ltd.

MESSAGE TO INVESTORS

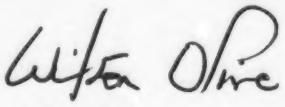
Our main focus for the year 2000 was in completing the investment requirements for the Saskatchewan Government Growth Fund IV Ltd. (SGGF IV). Approximately $7 million was invested during the year to achieve this target.

SGGF IV earned over $700,000 in 2000, bringing the accumulated profits to over $1.8 million.

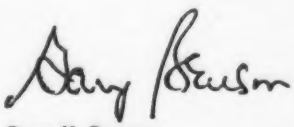
On October 1, 2000 SGGF IV and the Saskatchewan Government Growth Fund Management Corporation ("SGGFMC") entered into a contract with Crown Capital Partners Inc. ("CCP"), a wholly-owned subsidiary of Crown Life Insurance Company, Inc., to provide administrative and investment management services to the Fund and SGGFMC. Under this arrangement all the employees of SGGFMC became employees of CCP or Crown Life. Together with employees of Crown Life, CCP is able to provide more resources and additional investment expertise.

For the next two years SGGF IV will concentrate its efforts in maximizing the returns it achieves from its investments. In addition to the normal monthly monitoring of SGGF IV's investments, CCP will try to add value to those investments by working with company management and to help them be positioned to repay SGGF IV when the investment matures.

In conducting its business the Board of Directors held eleven meetings in person and twelve by teleconference. In December, John Johns and Alphonse Pasloske retired at the end of their three years terms. We thank them for their years of dedicated service. Darrel Cunningham, Grant Scharfstein and Wilson Olive joined the Board at the end of 2000. Mr. Olive was elected Chairperson.



Wilson Olive
Chair



Gary K. Benson
President

The following are company profiles of investments held during 2000, including the approved investment level and a brief description of each company's operations.

INVESTMENT PROFILES

Big Sky Farms Inc.
$1,000,000 Loan

Big Sky Farms operates a number of farrow to finish hog operations in Saskatchewan. These operations are among the largest hog production facilities in the province. The company is currently expanding to other areas of Saskatchewan.

Biostar Inc.
$1,155,022 Common shares

Biostar is a Saskatoon-based biotechnology company using advanced technologies to develop and produce high value-added, bio-engineered vaccines for animals and humans. SGGF's debt position was converted to shares during the year and the company was sold for cash and an equity interest in another company.

FarmGro Organic Foods Inc.
$1,250,000 Loan

FarmGro Organic Foods, located outside Regina, Saskatchewan, is an organic flour milling, cleaning and bagging facility for organic grains, specialty crops and seeds.

Herc Oil Corporation
$1,500,000 Common shares

Herc Oil Corporation, headquartered in Regina, Saskatchewan, operates in the southeast part of the province and is engaged in the exploration for and development of crude oil producing properties. During the year SGGF converted its debt position into common shares.

Master Manufacturing
$750,000 Loans

The company, located in Moose Jaw, Saskatchewan, manufactures a broad range of pre-engineered all-steel buildings and building components.

Nelson Environmental Remediation Ltd.
$600,000 Loans

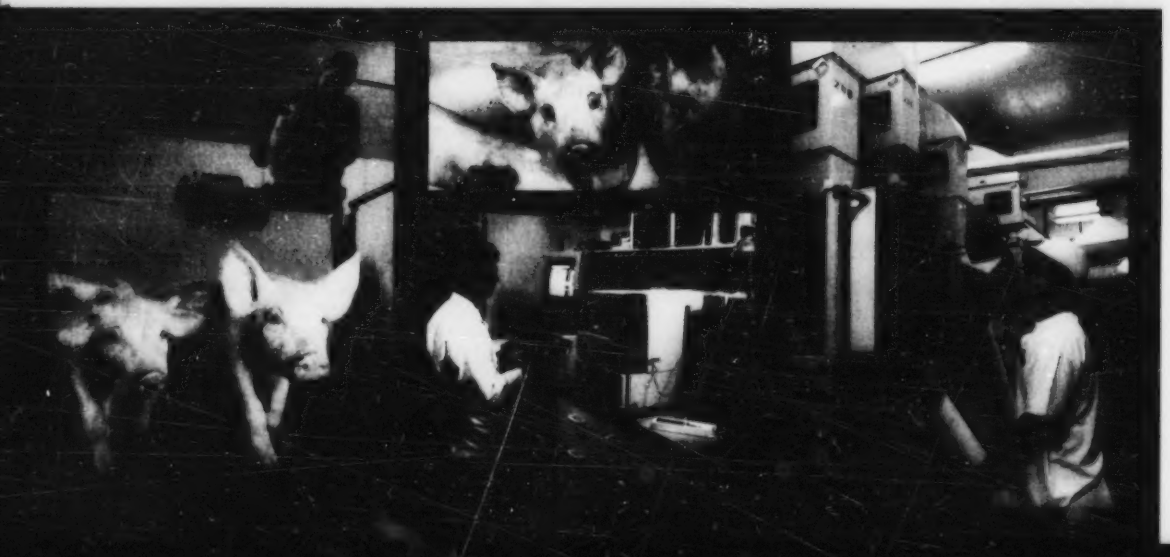
Nelson Environmental Remediation Ltd. provides soil reclamation and remediation services to owners of contaminated sites throughout western Canada, the United States and Europe.

Pelorus Navigation Systems Inc.
$500,000 Loan

Pelorus is a Saskatoon based company that develops advanced airport navigation landing systems using the global positioning system (GPS). It markets its product to airports around the world.

Big Sky Farms Inc.

Big Sky Farms Inc. Biostar Inc. FarmGro Organic Foods Inc.



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Master Manufacturing

Nelson Environmental Remediation Ltd.

Nelson Environmental Remediation Ltd.

Relorus Navigation Systems Inc.

Points North Digital Technologies Inc.

Points North Digital Technologies Inc.
$1,321,750 Common shares

Points North Digital, located in Saskatoon, Saskatchewan, is a travel technologies company involved in travel information systems development. In addition, its assets include Canada's third largest retail travel agency network. The company's shares trade on the Canadian Venture Exchange. Effective January 2, 2001 the company changed its name to Peragis Inc.

Q Energy Ltd.
$500,000 Loan

The company is based in Calgary, Alberta, and is engaged in the exploration, development and production of gas in Alberta and Saskatchewan. The company was sold during the year and repaid its loan in full.

Walker Seeds Ltd.
$750,000 Loan

Located in Star City, Saskatchewan, Walker Seeds is a vertically integrated company that cleans, processes, bags and exports specialty crops including peas, lentils and birdseed.

617275 Saskatchewan Ltd.
$18,313,673 Loans

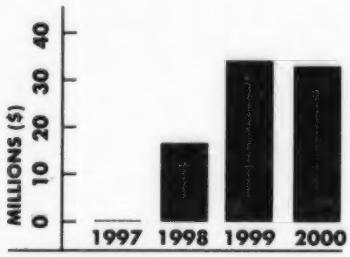
The company, located in Regina, Saskatchewan, purchases equipment for lease to Saskatchewan Crown corporations.

MANAGEMENT DISCUSSION AND ANALYSIS

SGGF IV ended the year with an accumulated surplus of $1.8 million, an increase of $700,000 over 1999.

The continued focus of the fund throughout 2000 has been on the investment of capital in Saskatchewan businesses.

The investment policy of the fund is to invest up to 50% of the subscription proceeds raised in low risk infrastructure loans, up to 30% in small and medium-sized Saskatchewan enterprises (SMEs) and the remainder in short term debt instruments.



OBLIGATIONS TO INVESTORS

Investment Activities

In 2000, the board of directors approved a total of $6.8 million of investment including new investments in two businesses and three follow-on investments in companies already in the portfolio. This compares to 1999 when $7.5 million was approved for investment in four businesses and two follow-on investments. Of the $29.2 million approved to date for investment, a total of $18.3 million has been targeted for low risk infrastructure loans.

A total of $7.0 million, including 2000 approvals and funds committed in 1999, was invested in eligible businesses during the year. This was comprised of $1.6 million (23%) invested in SMEs and $5.4 million (77%) in low risk infrastructure loans. This compares to 1999 when $9.8 million was invested with $6.4 million (65%) invested in SMEs and $3.4 million (35%) in infrastructure loans.

To December 31, 2000 a total of $27.7 million of investment has been made. This is made up of $18.1 million of low-risk infrastructure loans and $9.6 million of SME investment (59% debt and 41% equity).

Revenue from investments for the year was $3.9 million, up significantly over 1999 when $2.3 million was earned. This reflects the higher level of investments held during 2000.

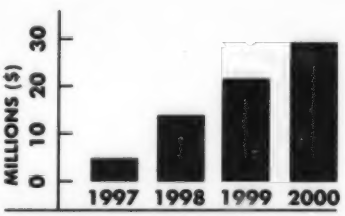
Investor Activities

At December 31, 2000 one hundred thirty-three (133) Notes were outstanding compared to one hundred thirty-six (136) in 1999. Three (3) visa refusals were processed during the year.

Note redemptions are scheduled to begin in 2002 when one (1) Note matures. Beyond 2002, there are sixty-four (64) in 2003 followed by sixty-eight (68) in 2004.

Cash from divestments will be used to redeem Notes as they mature. However, a portion of the investments held by SGGF IV are of such a nature that the timing of and value at liquidation cannot be predicted with absolute certainty. While at the present time SGGF IV does expect to repay the Notes in full when they mature, there is a risk that the fund will encounter difficulty in liquidating investments at an amount close to fair value at the time required to redeem the Notes.

Under the terms of the Confidential Offering Memorandum for SGGF IV, all investors with a Note outstanding at December 31, 2000 were paid 1.5% Note interest for the year.



AGGREGATE APPROVED INVESTMENTS

Points North Digital Technologies Inc. Big Sky Farms Inc.

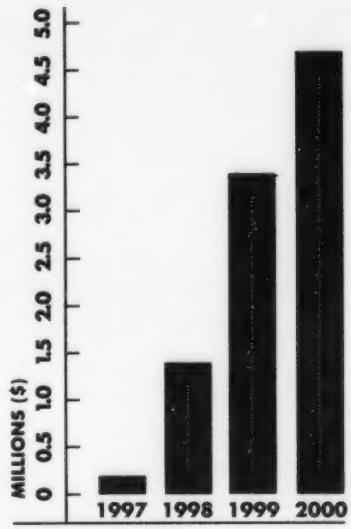
Operating Activities

A portion of the capital raised from investors must be held in the form of liquid securities. There are also excess funds held while awaiting investment in eligible businesses. Interest earned on these funds decreased $84,000 from 1999 due to the higher levels of investment during the year. These revenues are used to pay for the ongoing operating costs of the fund and to provide investors with a nominal return.

Effective October 1, 2000, the administration and investment advisory services previously provided to SGGF IV by SGGF Management Corporation were contracted out to a fund manager. The fund manager is paid a monthly fee for its services and will receive a share of the net profits, if any, of the fund after all liabilities, including investor obligations, of the fund have been paid.

Administration costs reflect expenditures related to the ongoing operations of the fund. As a percentage of total assets managed, these costs amounted to 1.11% in 2000 compared to 0.76% in 1999. The increased costs reflect the increased time spent on investment activities in 2000.

Included in administration costs is a $460,200 provision (1999 – $29,300) for future fees payable to the fund manager and investment advisors under the terms of their respective agreements with SGGF IV. The advisors' fees are payable upon liquidation of their portfolio under management and upon the achievement of certain performance targets.



TOTAL REVENUE

Biostar Inc.
FarmGro Organic Foods Inc.
Pelorus Navigation Systems Inc.
Points North Digital Technologies Inc.
Big Sky Farms Inc.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Saskatchewan Government Growth Fund IV Ltd. have been prepared by management in accordance with Canadian generally accepted accounting principles, and necessarily include some amounts based on informed judgement and management estimates. Financial data presented elsewhere in this annual report is consistent with that in the financial statements.

Deloitte & Touche, the corporation's independent auditors, have examined the consolidated financial statements of the corporation. The scope of their examination and their opinion on whether these financial statements present fairly the corporation's financial position and operating results are given in the Auditors' Report.

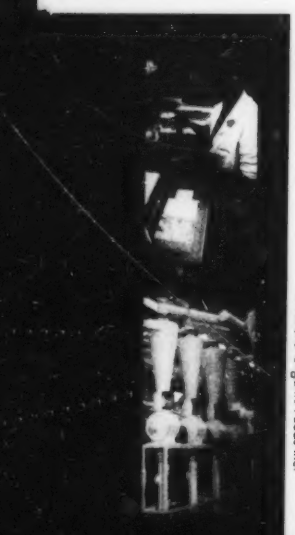
Ensuring the integrity and objectivity of financial information is an integral part of management's responsibility to the ongoing operation. Management maintains an appropriate system of internal accounting and administrative controls, policies and procedures to provide reasonable assurance that all financial information is relevant, reliable and accurate and that all transactions are authorized, assets are safeguarded and proper records are maintained.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and ultimately responsible for reviewing and approving these consolidated financial statements.

On behalf of management,

Gary K. Benson
President

Mike Merth, CA, CMA
Crown Capital Partners Inc.



Biostar Inc.

FarmGro Organic Foods Inc.

AUDITORS' REPORT

To the Shareholders and Investors of Saskatchewan Government Growth Fund IV Ltd.:

We have audited the Consolidated Statement of Financial Position of Saskatchewan Government Growth Fund IV Ltd. as at December 31, 2000, and the Consolidated Statement of Operations and Retained Earnings and Consolidated Statement of Cash Flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
February 27, 2001

Nelson Environmental Remediation Ltd. Master Manufacturing Big Sky Farms Inc. Biostar Inc. FarmGro Organic Foods Inc.

FINANCIAL STATEMENTS

Saskatchewan Government Growth Fund IV Ltd.

(Incorporated under The Business Corporations Act of Saskatchewan)
Consolidated Statement of Financial Position
As at December 31

	2000	1999
Assets		
Cash and cash equivalents (Note 4)	$ 8,823,114	$ 11,620,810
Short term investment (Note 5)	3,500,000	3,500,000
Accounts receivable and accrued income	583,206	449,292
Investments (Note 6)	8,878,523	7,332,624
Equipment on operating leases (Note 7)	12 502,193	10,685,155
Deferred costs (Note 8)	1,594,695	2,157,611
	$ 35,881,731	**$ 35,745,492**
Liabilities and Shareholders' Equity		
Accounts payable and accrued liabilities (Note 9)	$ 551,125	$ 98,347
Commissions payable	252,250	495,250
Accrued interest payable to investors	3,750	-
Subscription deposits (Note 10)	1,523	41,613
Obligations to investors (Note 11)	33,250,000	34,000,000
	34,058,648	**34,635,210**
Share capital (Note 12)	1,005	1,005
Retained earnings	1,822,078	1,109,277
	1,823,083	**1,110,282**
	$ 35,881,731	**$ 35,745,492**

Commitments (Note 17)

See accompanying notes to financial statements

On behalf of the Board:

Director

Director

Points North Digital Technologies Inc. Nelson Environmental Remediation Ltd.

Saskatchewan Government Growth Fund IV Ltd.

Consolidated Statement of Operations and Retained Earnings
For the Year Ended December 31

	2000	1999
Revenues		
Interest from cash, cash equivalents and short term investments	$ 747,163	$ 830,578
Income from investments	1,113,886	528,660
Lease revenue	2,816,457	1,762,390
Other income	23,000	228,791
	4,700,506	3,350,419
Provision for investment losses	(38,771)	275,000
Net revenue	**4,739,277**	**3,075,419**
Expenses		
Administration (Note 14)	838,973	319,181
Interest on subscription deposits	-	105,018
Interest on obligations to investors	504,467	416,239
Amortization of equipment assets on operating leases	2,175,120	1,334,443
Amortization of deferred costs	507,916	421,886
	4,026,476	**2,596,767**
Net income	**712,801**	**478,652**
Retained earnings, beginning of year	1,109,277	630,625
Retained earnings, end of year	**$ 1,822,078**	**$ 1,109,277**

See accompanying notes to financial statements

Saskatchewan Government Growth Fund IV Ltd.

Consolidated Statement of Cash Flows
For the Year Ended December 31

	2000	1999
Cash flows from operating activities		
Net income	$ 712,801	$ 478,652
Adjustments:		
Amortization of equipment on operating leases	2,175,120	1,334,443
Amortization of deferred costs	507,916	421,886
Provision for investment losses	(38,771)	275,000
Net change in non-cash balances related to operations (Note 15)	134,614	55,055
Cash flows from operating activities	**3,491,680**	**2,565,036**
Cash flows from investing activities		
Disbursements on investments	(2,600,278)	(6,382,123)
Repayments of investments	1,093,150	1,384,368
Purchase of equipment on operating leases	(3,992,158)	(3,321,047)
Cash flows from investing activities	**(5,499,286)**	**(8,318,802)**
Cash flows from financing activities		
Repayments of note subscriptions	(790,090)	(3,418,901)
Cash flows from financing activities	**(790,090)**	**(3,418,901)**
Net decrease in cash and cash equivalents	**(2,797,696)**	**(9,172,667)**
Cash and cash equivalents, beginning of year	11,620,810	20,793,477
Cash and cash equivalents, end of year	**$ 8,823,114**	**$ 11,620,810**
Interest paid during the year	$ 500,717	$ 623,300

See accompanying notes to financial statements

Big Sky Farms Inc.

Petcom Navigation Systems Inc.

FarmGro Organic Foods Inc. Nelson Environmental Remediation Ltd. Points North Digital Technologies Inc. Big Sky Farms Inc. Biostar Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Status of the corporation

Saskatchewan Government Growth Fund IV Ltd. ("SGGF IV") was incorporated in December 1994 under The Business Corporations Act of Saskatchewan and has been accepted as a government administered venture capital fund under the federal government's Immigrant Investor Program ("IIP"). Under this program, SGGF IV was established to raise $35,000,000 through a note offering. Each note is a 1.5% unsecured, subordinated debt instrument with a cost of $250,000, redeemable in five years provided that 70% of the proceeds are maintained in eligible investments. SGGF IV commenced commercial operations in 1997 and achieved its minimum offering of 14 investors in May 1997. The marketing period for SGGF IV ended on March 31, 1999.

Under the terms of the Confidential Offering Memorandum ("Memorandum"), SGGF IV is required to invest in Saskatchewan based businesses which have assets, including associated companies, of less than $35 million.

As stated in the Memorandum, the Government of Canada and the Government of the Province of Saskatchewan offer no guarantees or assurances on the financial performance of SGGF IV or of a return of an investor's original investment and neither government will be liable for any loss or damages suffered by an investor as a result of an investment in the debt instruments.

2. Significant accounting policies

The accompanying financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following are considered significant:

Consolidation

The consolidated financial statements include the accounts of SGGF IV and those of 617275 Saskatchewan Ltd. ("617275") on a proportionate basis. 617275 is an entity that is jointly controlled by SGGF IV and other SGGF fund companies. 617275 was created to be an eligible business under the guidelines of the IIP. Loans from SGGF IV to 617275 are used to purchase infrastructure-related assets that are leased to Saskatchewan Crown corporations under various operating leases. Principal and interest payments due under the loans to 617275 match the lease payments due under the operating leases.

Investments

Investments include debt and equity investments in private and public companies. Investments, other than publicly traded shares, are carried at cost. Income from equity investments is recognized when received and income from debt investments is recognized as earned. The fair value of investments in private companies is not determinable and therefore has not been disclosed.

Investments in shares having quoted market values, and which are traded on a recognized exchange, are recorded at the lower of cost and average closing market price for the last 20 days of the year, on an individual basis. Unrealized losses in the value of investments in publicly traded shares are recorded in the Consolidated Statement of Operations and Retained Earnings, in the allowance for unrealized losses.

Investments are reviewed on a regular basis. Where impairment is identified, the exposure is compared to the estimated net realizable value of the security and, if appropriate, a provision established. An investment is considered impaired when there is no longer reasonable assurance of the timely collection of the full amount of principal and income. Income is not accrued for accounting purposes on impaired investments.

There is a clearly demonstrated intention to dispose of the investments in due course. Accordingly, investee companies over which SGGF IV has significant influence are not consolidated.

Equipment on operating leases

Equipment on operating leases is recorded at cost. When equipment is disposed of or retired, the related costs and accumulated amortization are eliminated from the accounts. Any resulting gains or losses are reflected in the Consolidated Statement of Operations and Retained Earnings.

Equipment on operating leases is amortized over its estimated useful life on a basis that matches the principal repayments under the related loans.

Deferred costs

Deferred costs include consulting, legal, administrative, accounting, general and printing costs associated with SGGF IV's offering. Commissions paid or payable on subscriptions received have also been deferred. Deferred costs, including commissions, are amortized over five years from date of note issuance.

Commissions payable

According to the terms of marketing agreements entered into by SGGF IV, a commission is legally payable to the independent marketing agents selling the notes upon the issuance of the investor's immigrant visa.

Accrued interest payable to investors

SGGF IV accrues interest on its note subscription deposits from the date of deposit to the date of the note issuance. Investors earn interest at a rate of one and one-half percent (1.5%) per annum.

Obligations to investors

Obligations to investors represent the notes issued to investors of SGGF IV. Interest on notes is accrued at an annual rate of one and one-half percent (1.5%) from the date of note issuance. Interest is paid annually on December 31 and at maturity.

3. Provisions of the IIP

Eligible businesses

One criteria of investment is the requirement that SGGF IV invest in businesses with total assets of $35 million or less, including associated companies.

4. Cash and cash equivalents

Included in cash and cash equivalents are numerous Bankers' Acceptances with varying terms that total $5,934,565 (1999 – $9,411,525). These investments all mature within the next 59 days and have interest rates ranging from 5.67% to 5.74%.

5. Short term investment

Included in short term investment is a $3,500,000 (1999 – $3,500,000) term deposit, maturing June 11, 2001, with an interest rate of 6.10%. Accrued interest to December 31 is $118,741 (1999 – $102,894).

6. Investments

	2000	1999
Debt	$ 7,292,969	$ 6,458,994
Equity	1,821,783	1,148,630
Provision for investment losses	(236,229)	(275,000)
	$ 8,878,523	$ 7,332,624

Included in investments are $1,073,001 (1999 – $1,099,998) of impaired investments, net of accumulated provision for losses of $236,229 (1999 – $275,000), upon which income is not accrued.

Equity investments include publicly traded shares at a cost of $751,844 (1999 – $48,632), with an aggregate market value of $1,162,101 (1999 – $104,440).

Master Manufacturing

Nelson Environmental Remediation Ltd.

During the year, investments increased as follows:

	2000	1999
Balance, beginning of year	$ 7,332,624	$ 2,609,869
New investments	2,600,278	6,382,123
Repayments	(1,093,150)	(1,384,368)
Net change in provision for investment losses	38,771	(275,000)
Balance, end of year	$ 8,878,523	$ 7,332,624

7. Equipment on operating leases

	2000	1999
Equipment on operating leases	$ 16,011,756	$ 12,019,598
Accumulated amortization	(3,509,563)	(1,334,443)
	$ 12,502,193	$ 10,685,155

As described in Note 2, 617275 is jointly controlled by SGGF IV and, is therefore, associated with SGGF IV. 617275 is an ineligible business because the total assets of SGGF IV and 617275 are greater than $35 million. SGGF IV will take steps to disassociate itself from 617275.

8. Deferred costs

Deferred costs have been recorded net of accumulated amortization of $1,050,521 (1999 – $542,606).

9. Accounts payable and accrued liabilities

Included in accrued liabilities is an $83,064 (1999 – $29,322) provision for future fees payable to various investment advisors under the terms of their respective investment services agreements with SGGF IV. These amounts are payable to the investment advisors upon liquidation of their portfolio under management and upon achievement of certain performance targets.

Included in accrued liabilities is a $377,171 (1999 – $nil) provision for future fees payable to the fund manager under the terms of its management services agreement with SGGF IV. This amount is based on the retained earnings of SGGF IV and is payable to the fund manager only upon redemption of all notes and satisfaction of all other liabilities of the fund.

10. Subscription deposits

Subscription deposits are reclassified to obligations to investors upon note issuance.

11. Obligations to investors

Notes – 1.5% unsecured subordinated notes.

The obligation at December 31 is:

	2000	1999
133 notes (1999 – 136 notes)	$ 33,250,000	$ 34,000,000

The following is the estimated redemption schedule for note repayments under the terms of the Memorandum for the year ended December 31:

2002	$ 250,000
2003	16,000,000
2004	17,000,000
	$ 33,250,000

12. Share capital

The authorized common share capital of SCGF IV at December 31 is:

Class A common shares – an unlimited number of voting common shares. Holders of the Class A common shares are not entitled to receive dividends.

Class B common shares – an unlimited number of voting common shares. Holders of the Class B common shares are entitled to receive dividends.

The issued common share capital at December 31 is:

	2000	1999
1,000 Class A common shares	$ 1,000	$ 1,000

13. Financial instruments

SCGF IV's primary business is the raising of capital from immigrant investors and placing these funds in new and expanding Saskatchewan businesses. This entails exposure to market risk, credit risk, interest rate risk and liquidity risk. These risk factors may impact upon SCGF IV's ability to repay its obligations to investors at maturity.

Market Risk

Market risk faced by SCGF IV is the risk that the fair value of its investments may decline due to a reduction in the anticipated earnings generated by the business in which SCGF IV invests. Some of the companies in which SCGF IV invests are dependent upon a single product or industry. SCGF IV manages these risks through careful due diligence prior to committing funds to the investment and ensuring that the overall portfolio is properly diversified across various industry sectors.

Credit Risk

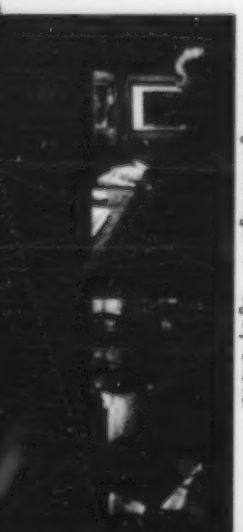
Credit risk arises from the potential that an investee will fail to perform its obligations. Concentration of credit exposure may arise given that SCGF IV restricts its investments to businesses operating in Saskatchewan and therefore all investments are subject to similar economic conditions. The ability of such investees to meet contractual obligations would be similarly affected by changing economic, political or other conditions. SCGF IV conducts a thorough due diligence process prior to committing to the investment and actively monitors the financial health of its investees on an on-going basis. In addition, some investees operate in and export to other provinces or international markets thereby mitigating this risk.

Interest Rate Risk

Interest rate risk reflects the risk that SCGF IV's earnings will decline due to fluctuations in interest rates. SCGF IV manages this risk through careful monitoring and matching the duration of its short-term deposits and investments with its obligations to investors.

Liquidity Risk

Liquidity risk is the risk that SCGF IV will encounter difficulty in liquidating its investments at an amount close to fair value at the time it is required to redeem its obligations to investors. Due to the nature of some of SCGF IV's investments, the timing of cash flows from its investments may not exactly match with the payments owing under SCGF IV's obligations to investors. SCGF IV carefully monitors the duration of its investments. However, these timing differences may require SCGF IV to reduce or delay the payments owing on its obligations to investors at maturity.



Points North Digital Technologies Inc. Big Sky Farms Inc.

Measurement Uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from the current estimates. These estimates are reviewed quarterly and, as adjustments become necessary, they are reported in the Consolidated Statement of Operations and Retained Earnings in the period in which they become known.

Fair Value – Investments

There is no active secondary market for many of the investments in which SGGF IV invests, and the uncertainty and potentially broad range of outcomes pertaining to the future cash flows from these investments renders the calculation of a fair value with appropriate reliability impractical. The factors that impact the fair value are described above.

Fair Value – Obligations to Investors

Obligations to investors represents the capital invested by immigrant investors in SGGF IV. In addition to earning a nominal return on their capital, their investment in SGGF IV helps satisfy a portion of their visa requirements under the IIP. Each investment in SGGF IV is irrevocable, except in the case of a visa refusal, for a minimum period of five years. Therefore, no secondary market for the obligations exists. Due to the unique features associated with obligations to investors, the calculation of a fair value with appropriate reliability is impractical. The risk factors that impact the fair value of investments, as described above, will also affect the fair value of obligations to investors. Repayment of these obligations at maturity is dependent upon the value and liquidity of investments at that time.

14. Administration

Under the terms of a ten year Management Agreement, expiring in 2004, between SGGF IV and Saskatchewan Government Growth Fund Management Corporation ("SGGF Management Corporation"), SGGF Management Corporation administers the assets of SGGF IV with the assistance of various investment advisors and, beginning October 1, 2000, a fund manager to perform fund administration and due diligence, monitoring and liquidation of investments. SGGF Management Corporation does not guarantee the financial performance of SGGF IV. All services provided to SGGF IV are charged on a fee for service basis. The breakdown of costs is as follows:

	2000	1999
Investment advisors	$ 91,890	$ 66,925
Fund manager fees	145,482	-
Fund manager profit share	377,171	-
Salaries and benefits	134,594	137,064
General administration	55,413	76,060
Directors fees and expenses	9,472	10,928
Legal and professional	24,951	28,204
	$ 838,973	$ 319,181

Included in investment advisors is a $49,992 (1999 – $29,322) provision for future fees payable to various investment advisors under the terms of their respective investment services agreements with SGGF IV. These amounts are payable to the investment advisors upon liquidation of their portfolio under management and upon achievement of certain performance targets.

Fund manager profit share is a provision for future fees payable to the fund manager under the terms of its management services agreement with SGGF IV. This amount is based on the retained earnings of SGGF IV and is payable to the fund manager only upon redemption of all notes and satisfaction of all other liabilities of the fund.

15. Net change in non-cash balances related to operations

	2000	1999
Accounts receivable and accrued income	$ (133,914)	$ 343,281
Deferred costs	55,000	77,500
Accounts payable and accrued liabilities	452,778	(8,531)
Commissions payable	(243,000)	(259,500)
Accrued charges payable to investors	3,750	(97,695)
	$ 134,614	$ 55,055

16. Income taxes

Greater than 90% of the issued shares of SGGF IV are owned by a provincial Crown corporation. Therefore, SGGF IV is income tax exempt.

17. Commitments

The total amount of investments approved but not yet disbursed is $560,046 (1999 – $768,030).

18. Related party transactions

Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan government controlled departments, agencies and corporations with which SGGF IV is related. Account balances resulting from these transactions are included in the Consolidated Statement of Financial Position and are settled on normal trade terms.

As stated in Note 14, SGGF IV is under a ten year Management Agreement with SGGF Management Corporation. Total fees paid or payable to SGGF Management Corporation during the year amounted to $788,981 (1999 – $286,109).

Other transactions with related parties are disclosed separately in the financial statements and notes thereto.

19. Comparative figures

Certain comparative figures have been reclassified to conform to the current years' presentation.

Bioator Inc.

FarmGro Organic Foods Inc.

HISTORICAL COMPARISON

Saskatchewan Government Growth Fund IV Ltd.

Historical Comparison
(in thousands of dollars)

Financial Position

As at December 31

	2000	1999	1998	1997
Assets				
Cash and cash equivalents	$ 12,323	15,121	24,293	14,743
Investments	21,380	18,018	11,308	-
Other assets	2,179	2,606	3,450	1,064
Total assets	$ 35,882	35,745	39,051	15,807
Liabilities & Equity				
Obligations to investors	$ 33,256	34,042	37,558	15,165
Other liabilities	803	593	861	626
Equity	1,823	1,110	632	16
Total liabilities & equity	$ 35,882	35,745	39,051	15,807

Operating Results

For the years ended December 31

	2000	1999	1998	1997
Revenues				
Investment income	$ 1,114	529	339	-
Lease revenue	2,817	1,762	309	-
Interest from cash and cash equivalents	747	831	576	214
Other income	23	228	128	-
	4,701	3,350	1,352	214
Provision for losses on investments	(39)	275	-	-
Net revenue	4,740	3,075	1,352	214
Expenses				
Administration	839	319	257	114
Financing	3,188	2,278	479	85
Total expenses	4,027	2,597	736	199
Net income	$ 713	478	616	15

CORPORATE DATA

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Regina, Saskatchewan

Darrel Cunningham
Farmer
Lintlaw, Saskatchewan

Gerald Edwards
Retired Businessman
Regina, Saskatchewan

Joanne Forer
Businesswoman
Melfort, Saskatchewan

Gordon Mertler
Businessman
Regina, Saskatchewan

Keith Rissling
Businessman
Saskatoon, Saskatchewan

Grant Scharfstein
Lawyer
Saskatoon, Saskatchewan

Officers

Wilson Olive, Chair
Gary Benson, President

Fund Manager

Crown Capital Partners Inc.
Brian Johnson, Managing Partner
Gary Benson, Partner Responsible for SGGF
Chris Anderson, Partner
Rob Duguid, Partner
Chris Johnson, Partner
Alan Rowe, Partner
Chris Selness, Partner
Stephan von Buttlar, Partner
Mike Merth, CA, CMA, Controller
Nancy Layman, Fund Administrator

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Chartered Accountants
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Banker

Bank of Montreal
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Points North Digital Technologies Inc. Nelson Environmental Remediation Ltd.

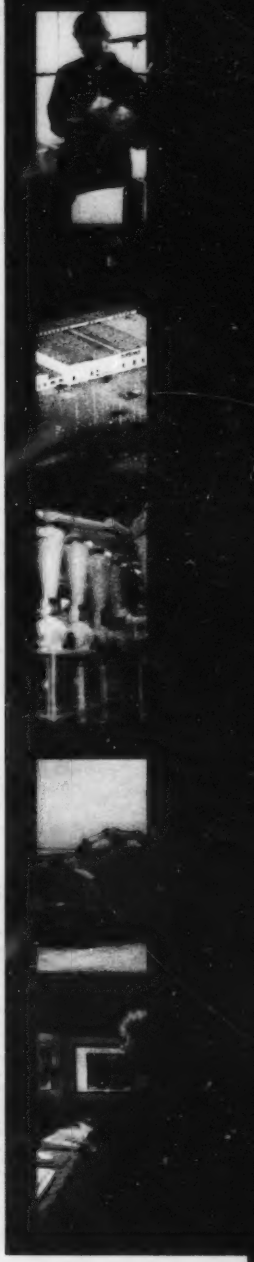
Big Sky Farms Inc.

Master Manufacturing

FarmGro Organic Foods Inc.

Nelson Environmental Remediation Ltd.

Points North Digital Technologies Inc.



SASKATCHEWAN GOVERNMENT GROWTH FUND IV LTD.